TDS TELECOM®

April 7, 2000

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Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399

Re: Docket No. 000121-TP – Investigation into the Establishment of Operations Support Systems Permanent Performance Measures for Incumbent Local Exchange Telecommunications Companies.

Dear Ms. Bayo:

Enclosed for filing please find an original plus five copies and a diskette in Word format of the response of TDS Telecom/Quincy Telephone Company, to the above reference docket.

Questions regarding this filing may be directed to me at (850) 875-5207.

Sincerely,

Thomas M. McCabe

Thomas M. McCabe
Manager-External Relations
TDS TELECOM/Quincy Telephone Company

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Before the Florida Public Service Commission

Docket No. 000121-TP
Investigation into the Establishment
Of Operations Support Systems
Permanent Performance Measures for
Incumbent Local Exchange Companies

TDS Telecom/Quincy Telephone Company (herein after referred to as "TDS") hereby submit these comments in response to the Florida Public Service Commission (FPSC) workshop concerning the establishment of operations support systems (OSS) permanent performance measures for incumbent local exchange companies (LECs). TDS urges the Commission not to adopt any OSS compliance measurement and reporting requirements for the small incumbent LECs.

<u>It Is Too Soon To Impose Costly Compliance Measurements and Reporting Requirements on Rural (Small) LECs and Their Customers</u>

The Telecommunications Act of 1996 (the "Act") outlined several obligations of all local exchange carriers (Section 251(b)) and several additional obligations of incumbent LECs (Section 251(c)) to open local exchange to competition. Realizing differences between rural and non-rural territories, the Act provides rural telephone companies some safeguards. The Act exempts rural LECs from Section 251(c) obligations until a bona fide request is received and a state commission determines that termination of the exemption is in the public interest. The other safeguard provides those companies with fewer than 2% of the nation's access lines the ability to petition the state commissions for suspension or modification of any or all the Section 251(b) and (c) obligations outlined in the Act. A state commission may grant a petition if it determines that suspension or modification is consistent with the public interest and is necessary to avoid: (1) a significant adverse economic impact on users generally, (2) imposing a requirement that is unduly economically burdensome, or (3) imposing a requirement that is technically feasible. TDS and the other the small LECs operating in Florida are defined under the Act as rural carriers.

Most, if not all, rural LECs remain exempt from the requirements in Section 251 (c) by virtue of Section 251(f), so there is no reason to put their rural customers to the expense of measurements and reports until the exemptions are lifted. The Section 251(f) exemption demonstrates that Congress did not attach the same urgency or priority to transforming rural ILECs automatically into wholesale carriers for their competitors to the detriment of the ILEC's ability to provide and improve service to their rural customers. The wholesale requirement and the associated burdens were only to be imposed when a state was satisfied that the requirements would not be "unduly economically burdensome," technically infeasible or inconsistent with the universal service requirements of Section 254.

Proper attention to the unique issues faced by rural LECs will be difficult to achieve in this proceeding. First, there has been no determination if in fact any of the Section 251(b) or (c) obligations even apply to TDS or any of the small LECs. Until such time that a small LEC receives a bona fide request for interconnection there is no reason to impose any OSS performance measurements or reporting requirements until the Commission determines whether or not Section 251(c) obligations apply. Second, it would be premature to even approach OSS performance and reporting requirements on rural LECs collectively. TDS believes that each rural ILEC has unique circumstances and a "one-size-fits-all" approach may adversely impact the ILEC and its rural customers. Finally, small LEC territories do not attract competitors in the first place because of their high cost and lower potential traffic volumes. To date, the small LECs have seen very little interest from competitors to provide service in these rural markets with the exception of resale to provide pre-paid local exchange service to bad debt customers. The FPSC should be exceptionally careful not to make small LECs (and their customers) pay for new support systems and extensive regulatory record keeping for competitive expansion that may never materialize.

Requiring Rural ILECs to Upgrade Their OSS and Data Handling Systems Would Misuse Their Resources

TDS believes that extensive performance measurements and reporting requirements would, at worst, overwhelm small incumbent LECs and their customers with massive system upgrades, at an enormous cost or, at best, escalate time and expense burdens to expand manual processing operations. In either case, we believe there would be little benefit, if any, to small LEC customers. Many or most rural customers need to rely of the small incumbent LEC for access to advanced, affordable, and evolving telecommunications and information services. Imposing unnecessary expenses and investments on small LECs will create additional burdens that would distract the ILECs attention and resources from improving end user service and possibly effecting universal service.

There is no question that mandating OSS performance and reporting requirements on small LECs would be prohibitive since most, like TDS, use largely manual, not automated, OSS processing systems. Extensive OSS requirements will divert resource either to create systems using electronic processing and reporting which is not used or even planned for in its own internal needs or to provide trained personnel and time necessary to perform complicated data collection, report preparation and statistical analysis. The time, labor and money diverted to these uses will not be available for other plans and obligations of the small LECs. These added burdens and cost would ultimately be borne by the customers. If the compliance cost for OSS performance and reporting is excessive small LECs will have no choice but to reduce operating expenses and capital expenditures which ultimately impacts the customer. Benefits to small LEC customers are likely to be limited to speculation that if you build it competitive entry will be a reality in high cost areas.

OSS Compliance Measures Should Not Look to TDS to Demonstrate Compliance with Functions Acquired from Other Sources.

If the FPSC believes that it is necessary to impose OSS compliance measures and reporting requirements, TDS believes that the FPSC should not look to TDS to demonstrate compliance with functions acquired from other sources. For example, TDS contracts with BellSouth and Sprint for such services as E911, Operator Services, and Directory Assistance. TDS acquires these functions via contract from other entities and neither controls the response performance of the contractor nor provides the sole source for the functions. Since TDS does not provide these services to itself they should not be classified as "essential services" that a competitor can only obtain from the incumbent LEC.

Conclusion

TDS recommends that the FPSC not adopt any OSS compliance measurement and reporting requirements on small LECs. To date, the small LECs are generally exempt from the requirements of OSS by virtue of Section 251(f) of the Act. TDS believes that the FPSC should maintain the greatest amount of flexibility in addressing OSS issues for small LECs. Competitive providers that believe are not receiving adequate compliance with interconnection agreements with small LECs can file a complaint with the FPSC or seek to negotiate with the ILEC to resolve any disputes. This approach would be a more cost-effective approach than applying OSS measurement and reporting requirements on small LECs. Most compliance measurement and reporting obligations focus on fully automated systems which generally are not used by TDS. Any requirement or expectation that small LECs with manual OSS would become fully automated as RBOCs and large independents would require costly upgrades and information system changes